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Lori Wright
UNH Media Relations

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Media Relations

September 24, 2013

UNH: LESI Surges on Strong Business Conditions and Employment Outlook

DURHAM, N.H. – The University of New Hampshire Lodging Executives Sentiment Index (LESI) surged to 78.1 in August 2013 from 65.8 in July 2013, fueled by strong business conditions and a more positive employment outlook.

“These results represent lodging executives’ strong and positive sentiments of the present general business conditions for their properties, which increased 8.7 on the sentiment scale, combined with a strong sentiment about general business conditions 12 months in the future, which increased by 16.0,” said Nelson Barber, associate professor of hospitality management, who manages the index.

“This robust increase in sentiment was also evident at a recent lodging conference where attendees all stated a near unanimous sense of confidence in the current and future state of the hotel industry,” Barber said.

Forty-four percent of lodging executives indicated current business conditions were good, an increase from 26 percent last period, while 56 percent indicated conditions were normal, down from 74 percent during the same period. No executive indicated such conditions were bad in either period.

Managed by the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics, the LESI is based on a monthly survey of lodging executives representing companies with more than 2.5 million hotel rooms across lodging segments and geographic regions of the United States -- more than 55 percent of all U.S. rooms.

Executives are asked about the present and future business conditions and also to report their outlook during the next 12 months about room reservations and employment practices, such as an increase or decrease of their non-managerial work force.

The LESI indices follow the Institute of Supply Management's Index (ISM) method of tracking leading indicators. A LESI survey reading of greater than 50 indicates expansion whereas a reading below 50 indicates decline and the distance from 50 in either direction is indicating the strength of the expansion or decline. During the August period of time, the ISM Index increased to 55.7 from 55.4 in July 2013.

Looking forward, 69 percent of the executives thought conditions would be better in the next 12 months versus 42 percent last month, while 31 percent indicated they would be the same versus 58 percent last month indicating they would be the same. Executive sentiment for this period revealed that no executive thought they would be worse.

Looking forward 12 months, lodging executives reported a robust increase in hiring of non-managerial employees, representing a continued increase in expectations for lodging executives during July 2013. This period’s change supports the national unemployment rate, which declined to 7.3 percent in August 2013 compared to 7.4 percent in July 2013 as reported by the Bureau of Labor Statistics. However, it is counter to the ISM Employment Index, which decreased by 1.1 percentage points, registering 53.3 percent.

For more information about LESI, visit <http://paulcollege.unh.edu/LESI>.

The [UNH Peter T. Paul College of Business and Economics](#) offers a full complement of high-quality programs in business, economics, accounting, finance, information systems management, marketing, and hospitality management. Programs are offered at the undergraduate, graduate, and executive development levels. The college is accredited by the Association to Advance Collegiate Schools of Business, the premier accrediting agency for business schools worldwide.

The [University of New Hampshire](#), founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.

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Nelson Barber, associate professor of hospitality management, is available to discuss the August LESI report. He can be reached at nelson.barber@unh.edu. The most recent LESI report is available at <http://paulcollege.unh.edu/LESI>.

Media Contact: [Lori Wright](#) | 603-862-0574 | UNH Media Relations

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